

Message Text

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PAGE 01 CAIRO 04719 191346Z
ACTION NEA-10

INFO OCT-01 ISO-00 ABF-01 OPR-02 IGA-02 AID-05 CIAE-00
COME-00 EB-08 FRB-03 INR-07 NSAE-00 USIA-06
TRSE-00 XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01
NSC-05 SS-15 STR-04 CEA-01 PA-01 PRS-01 L-03 H-01
AGRE-00 FS-01 /090 W
-----192017Z 010913 /42

R 191325Z MAR 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 2945

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E.O. 11652: N/A
TAGS: USEGJC, EFIN
SUBJECT: EXCHANGE RATE MODIFICATION REPORTED

1. EMBASSY HAS HEARD FROM VARIOUS SOURCES OVER PAST WEEK THAT GOE IS IN PROCESS OF UNDERTAKING CHANGEOVER FROM OFFICIAL TO PARALLEL FOREIGN EXCHANGE RATE WITH RESPECT TO BROAD RANGE OF TRANSACTIONS. WE HAVE NOW BEEN RELIABLY INFORMED THAT CENTRAL BANK DIRECTIVE IS OUT WHICH PERMITS VALUATION OF ALL TRANSACTIONS AT PARALLEL RATE EXCEPT NUMBER OF LISTED ITEMS, INCLUDING SUEZ CANAL TOLLS, FOREIGN DEBT, EXPORT TRADE IN COTTON AND VARIOUS OTHERS (INCLUDING, OF COURSE, SUBSIDIZED CONSUMER GOODS IMPORTS). WE HAVE NOT YET SEEN DIRECTIVE AND THEREFORE ARE UNABLE TO GAUGE PRECISE DEGREE OF CHANGE AT THIS TIME (COPY OF CENTRAL BANK DOCUMENT IN OFFICIAL FORM SHOULD BE AVAILABLE IN ANOTHER DAY OR TWO).

2. EARLIEST FALLOUT OF DIRECTIVE SEEMS TO HAVE BEEN DECISIONS AFFECTING INCOME REMITTANCES ABROAD BY BRANCH OPERATIONS, NOTABLY BANKS, AND AIRLINE
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TICKET SALES. TWA HAD TOLD US EARLIER THIS WEEK THAT IT HAD CHANGED DOLLAR VALUATION OF AIR FARES TO PARALLEL RATE, EFFECTIVE THIS MONTH, FOLLOWING LEAD OF SEVERAL OTHER AIRLINES.

3. COMMENT: CONSIDERABLE UNCERTAINTY AS TO EFFECT IN DETAIL OF CENTRAL BANK DECISION HAS BEEN

EXPRESSED TO US BY U.S. BANKS IN CAIRO, BUT INTENT SEEMS
AT FIRST BLUSH FAIRLY PLAIN: IF THIS PRELIMINARY INFORMATION IS
CORRECT, GOE IS MOVING SIGNIFICANTLY LARGER SEGMENT
OF ITS FOREIGN TRANSACTIONS AWAY FROM OVERVALUED
OFFICIAL RATE INTO PARALLEL MARKET VALUATION.
DEPENDING UPON EXTENT TO WHICH RULING IS APPLIED,
OBVIOUSLY THIS COULD BE FURTHER STEP IN DIRECTION
OF UNIFIED EXCHANGE RATE THAT IMF HAS BEEN PUSHING
FOR SOME TIME, AND WHICH IS TACITLY ACCEPTED IN GOE
STRATEGY PAPER KAISOONI CARRIED TO WASHINGTON.
MATTHEWS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CAIRO04719
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770095-0705
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770343/aaaabkwy.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d69d5cb5-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3059494
Secure: OPEN
Status: NATIVE
Subject: EXCHANGE RATE MODIFICATION REPORTED
TAGS: EFIN, EG, US, USEGJC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/d69d5cb5-c288-dd11-92da-001cc4696bcc
Review Markings:
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